



Non-State Capital Outlay Training Manual

Chapter 8: Real Estate Acquisition

Key Points

Real Estate Acquisition

- ❑ FP&C must concur in closing prior to actual closing
- ❑ FP&C Concurrence in Real Estate Acquisition Form is provided with original signature
- ❑ State-certified General appraisal is provided
- ❑ Disbursement for property cannot exceed fair market value
- ❑ Costs for relocation assistance, damages, etc., not eligible for State participation
- ❑ Some closing costs can be eligible for State participation
- ❑ FP&C will require existing mortgages, etc., be satisfied prior to disbursing funds
- ❑ Unless the appropriation is for real estate acquisition only, will need to demonstrate adequate funding to complete a project prior to property acquisition
- ❑ Preliminary title opinion shows entity will have clear title
- ❑ Phase I Environmental Assessment, prepared by environmental professional.
- ❑ Property is clear of CERCLA defined hazards and petroleum products (purchase of property with asbestos or lead based paint may be considered)

CHAPTER 1 ALLOWABLE COSTS

Real Estate Acquisition

When acquiring land or immovable property with Capital Outlay funds, prior to closing FP&C must review and approve the following information provided by the non-state entity:

- ☐ State Certified General appraisal
- ☐ Preliminary title opinion attesting that the non-state entity will have good, clear, and merchantable title upon execution of the act of sale, or title insurance
- ☐ Phase I environmental assessment, prepared by an environmental professional according to current ASTM standard practice, that also considers asbestos containing materials, lead-based paint, lead in drinking water and wetlands
- ☐ Draft act of sale with warranty that the property is free of CERCLA defined hazards and petroleum products identified in the environmental assessment as existing or suspected

The non-state entity would submit a Request for FP&C Concurrence in Real Estate Closing form, with this required information

When real estate is to be acquired with Capital Outlay funds, FP&C must concur that the sale is ready for closing.

attached (see Figure 2). Faxes will not be accepted. After FP&C concurs in closing, FP&C will initiate its check writing process. The State disbursement for a real estate sell-

ing price cannot exceed the appraised value as determined by a State Certified General appraisal. The non-state entity should plan on closing within two weeks after FP&C disburses the funds. A copy of the executed act of sale as recorded in the local Clerk of Court office must be provided to FP&C after closing.

State funds can also be used for reimbursement of actual reasonable costs for title work, appraisals, abstracts, property surveys, legal fees associated with the purchase of property, and other such similar costs as determined by FP&C to be allowable. Requests for FP&C payments for these costs must be made with a Request for Disbursement form (see Figure 1).

All services for which State funds will be used for payments must be done under written contracts. Copies of executed contracts must be submitted to FP&C prior to or concurrent with Associated Request(s) for Disbursement. The products of professional contracts must be provided to FP&C when the contract fee is greater than or equal to \$25,000 in order to receive disbursements associated with these contracts.

Contracts executed prior to the date of the cooperative endeavor agreement, or prior to the date cash was made for the State appropriation, are not eligible for State participation. For unconditional General Fund Direct monies and NRP bonds, the date cash is made available is the date the Capital Outlay Act is approved. For General Obligation bonds, the date the cash is made available is the date the Bond Commission approves a cash line of credit.

If desired by a non-state entity, FP&C will provide courtesy reviews of draft contracts in order to confirm that costs will be eligible for State participation.

Request for FP&C Concurrence in Real Estate Closing

Project Number:	50-MZZ-11-01	Grantee: Town of Marais
Project Name:	Fire Station Expansion, Acquisition, Planning and Construction	Contact Person: Mayor Placide Guidry
		Phone Number: (337) 123-4567

To be completed by the Town of Marais.

The following information is attached and the Town of Marais requests FP&C's concurrence that the transaction is ready for closing.

- ☒ State Certified General appraisal
- ☒ Preliminary title opinion attesting that the non-state entity will have good, clear, and merchantable title upon execution of the act of sale, or title insurance
- ☒ Phase I environmental assessment, prepared by an environmental professional according to current ASTM standard practice, that also considers asbestos containing materials, lead-based paint, lead in drinking water and wetlands
- ☒ Draft act of sale with warranty that the property is free of CERCLA defined hazards and petroleum products identified in the environmental assessment as existing or suspected.

Grantee:

Mayor Placide Guidry
(Signature)

Date: XX/XX/XXXX

Mayor Placide Guidry
(Type or Print Name)



To be completed by FP&C and returned to the Town of Marais.

<input type="checkbox"/>	FP&C concurs that the transaction is ready for closing (FP&C will initiate writing a check in the amount of \$ _____)
<input type="checkbox"/>	FP&C does not concur that the transaction is ready for closing Reason: _____ _____
(The Town of Marais must resolve and then submit another Request for FP&C Concurrence in Real Estate Closing)	
Project Manager: _____ (Signature)	Date: _____

Remit to: Facility Planning & Control
LA Division of Administration
Post Office Box 94095
Baton Rouge, La. 70804-9095

Thank you for your cooperation!